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To: All Rental Housing Tax Credit Recipients

**Notice:** MFD-08-21

From: IHCD Multi Family Department

Date: November 7, 2008

Re: **IHCDA 100% Recertification Waiver Policy**

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IHCDA is issuing this policy as clarification of MFD-08-14 regarding H.R. 3221 Sec. 3010, entitled "Exception to Annual Current Income Determination Requirement Where Determination is Not Relevant". This section states:

(a) IN GENERAL.- Subparagraph (A) of section 142(d)(3) is amended by adding at the end the following new sentence: "The preceding sentence shall not apply with respect to any project for any year if during such year no residential unit in the project is occupied by a new resident whose income exceeds the applicable income limit."

The above-mentioned Section 142(d)(3) Subparagraph A of the Internal Revenue Code reads:

(A) In general.- The determination of whether the income of a resident of a unit in a project exceeds the applicable income limit shall be made at least annually on the basis of the current income of the resident.

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In response to H.R.3221, IHCD has created the 100% Recertification Waiver Policy waiving third party verification of income after tenants initially qualify for the LHTC unit. Additionally, the Tenant Recertification form, attached, has been created as the only tenant recertification documentation IHCD requires of properties that contain 100% Tax Credit Projects.

- The first step to determining if the Tax Credit property is eligible to institute this policy is to verify that there are 100% Tax Credit Projects in the property, no market units in the project.
- The second step is to define a Project for the property. If No was checked on Form 8609 line 8b, then each building in the property is considered its own project. (If a staff unit is treated as a market unit then all units in the project must be recertified.) However, if Yes is



checked on Form 8609 line 8b, the properties containing 100% LHTC units are eligible for the 100% Recertification Waiver. If the property is not 100% LHTC, then the Annual Income Recertification is still required.

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1. The effective date of the 100% Recertification Waiver Tenant Recertification form is effective July 30, 2008, and is not retroactive. The Recertification requirements are now included on one simple form that should be completed annually within 120 days prior to anniversary date of move-in.
2. Tax Credit properties with HOME or CDBG funds are still required to obtain third party income verifications as the programs require for the HOME or CDBG funded units.
3. If all original occupants of the unit move-out, then a move-in certification must be completed for the remaining occupants.
4. If household is in eviction process or is moving out with notice, no recertification documentation is required within 120 days prior to anniversary of effective date.

IHCDA is encouraging the Owner/Development to check with investor before initiating the 100% Recertification Waiver Policy.

If the development stopped requiring the following information annually from tenants, 100% Waiver Recertifications should be completed as soon as possible. The tenants should date all information for the current date and a “true and correct as of the effective date” should be one each 100% Recertification document.

Note: Waiver can be revoked if move in is found out of compliance. Additionally, IHCDA reserves the right to require recertifications if there is a pattern of household composition change evident after move-in.

Should there be any questions regarding this policy, please contact Jacob Sipe, Jeffrey Ivory, Danielle Moore, Matt Rayburn, or Anika Davis at 317-232-7777.



**100% RECERTIFICATION WAIVER  
TENANT RECERTIFICATION  
(100% TAX CREDIT PROJECT UNIT)**

Effective Date: \_\_\_\_\_  
Move-in Date: \_\_\_\_\_  
(MM/DD/YYYY)  
Total Household Size at Move-in: \_\_\_\_\_

**PART I - DEVELOPMENT DATA**

Property Name: \_\_\_\_\_ County: \_\_\_\_\_ BIN #: \_\_\_\_\_  
Address: \_\_\_\_\_ Unit Number: \_\_\_\_\_ # Bedrooms: \_\_\_\_\_

**PART II. HOUSEHOLD COMPOSITION**

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Special Needs	Social Security or Alien Reg. No.
1			HEAD				
2							
3							
4							
5							
6							
7							

**PART III. GROSS ANNUAL INCOME  
(For Online Reporting Purposes)**

**PART IV. STUDENT STATUS**

HH Mbr #	Total Household Income from all Sources at Initial Move-In	
1		<b>ARE ALL OCCUPANTS FULL TIME STUDENTS?</b>  If yes, Enter student explanation*  <input type="checkbox"/> yes <input type="checkbox"/> no
2		
3		
4		
5		
6		
7		
TOTAL INCOME: \$		<b>*Student Explanation:</b> <input type="checkbox"/> TANF assistance <input type="checkbox"/> Job Training Program <input type="checkbox"/> Single parent/dependent child <input type="checkbox"/> Married/joint return <input type="checkbox"/> Former Foster Child

**PART V. RENT**

Tenant Paid Rent	\$ _____	Rent Assistance:	\$ _____
Utility Allowance	\$ _____	Other non-optional charges:	\$ _____
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges)		Unit Meets Income Restriction at:	
\$		<input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	
Maximum Rent Limit for this unit:	\$ _____	Unit Meets Rent Restriction at:	
		<input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	

**HOUSEHOLD CERTIFICATION & SIGNATURES**

The information on this form will be used to determine continuing eligibility. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

Signature _____	(Date) _____	Signature _____	(Date) _____
Signature _____	(Date) _____	Signature _____	(Date) _____

**SIGNATURE OF OWNER/REPRESENTATIVE**

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

SIGNATURE OF OWNER/REPRESENTATIVE \_\_\_\_\_

DATE \_\_\_\_\_

**INSTRUCTIONS FOR COMPLETING  
TENANT RECERTIFICATION  
(100% TAX CREDIT PROJECT)**

*This form is to be completed by the owner or an authorized representative.*

*This form can only be used for recertification in 100% Tax Credit projects. If the household size changes within the first 3 months after move-in, the Tenant Income Certification form should be used. This form can also only be used to recertify Tax Credit only units. Units with HOME funds, Tax Exempt Bond funds, AHDP funds, or Other program funds must do a complete recertification for the unit using the Tenant Income Certification form.*

**Part I - Development Data**

Move-in Date	Enter the date the tenant has or will take occupancy of the unit.
Effective Date	Enter the effective date of the recertification. The effective date should be the anniversary date of move-in for each of the subsequent years.
Total Household Size at Move-in	Enter the number of members in the household at move-in.
Property Name	Enter the name of the development.
County	Enter the county (or equivalent) in which the building is located.
BIN #	Enter the Building Identification Number (BIN) assigned to the building (from IRS Form 8609).
Address	Enter the address of the building.
Unit Number	Enter the unit number.
# Bedrooms	Enter the number of bedrooms in the unit.

**Part II - Household Composition**

List all occupants of the unit. State each household member's relationship to the head of household by using one of the following coded definitions:

H	-	Head of Household	S	-	Spouse
A	-	Adult co-tenant	O	-	Other family member
C	-	Child	F	-	Foster child(ren)/adult(s)
L	-	Live-in caretaker	N	-	None of the above

Enter the date of birth, student status, special needs code, and social security number or alien registration number for each occupant.

*If there are more than 7 occupants, use an additional sheet of paper to list the remaining household members and attach it to the certification.*

Any household member, who meets State definition of Special Needs Population, as provided in IC 5-20-1-4.5, should be coded using the following underlined code:

- 1) PDD - Persons with physical or developmental disabilities
- 2) PMI - Person with mental impairments
- 3) SPH - Single parent households
- 4) VDV - Victims of domestic violence
- 5) AC - Abused children
- 6) PCA - Persons with chemical addictions
- 7) HP - Homeless persons
- 8) ELD - The elderly

### Part III – Gross Annual Income

From initial the third party verifications of income and assets, enter the gross income amount (for online reporting purposes). Complete a separate line for each income-earning member. The respective household member number from Part II is listed.

Total Income                      The auto-calculated gross income total from each incoming earning member in the unit.

### Part IV - Student Status

If all household members are full time\* students, check “yes”. If at least one household member is not a full time student, check “no”.

If “yes” is checked, the appropriate exemption must be listed. If none of the exemptions apply, the household is ineligible to continue to rent the unit.

*\*Full time is determined by the school the student attends.*

### Part V - Rent

Tenant Paid Rent                      Enter the amount the tenant pays toward rent (not including rent assistance payments such as Section 8).

Rent Assistance                      Enter the amount of rent assistance, if any.

Utility Allowance                      Enter the utility allowance. If the owner pays all utilities, enter zero.

Other non-optional charges                      Enter the amount of non-optional charges, such as mandatory garage rent, storage lockers, charges for services provided by the development, etc.

Gross Rent for Unit                      Enter the total of Tenant Paid Rent plus Utility Allowance and other non-optional charges.

Unit Meets Income Restriction at                      Check the appropriate income restriction that the unit meets according to what is required by the set-aside(s) for the project.

Maximum Rent Limit for this unit                      Enter the maximum allowable gross rent for the unit.

Unit Meets Rent Restriction at                      Check the appropriate rent restriction that the unit meets according to what is required by the set-aside(s) for the project.

### HOUSEHOLD CERTIFICATION AND SIGNATURES

Each household member age 18 or older must sign and date the 100% Recertification Waiver Tenant Income Certification within 120 days on or prior to the anniversary of the effective date of the initial certification.

#### SIGNATURE OF OWNER/REPRESENTATIVE

It is the responsibility of the owner or the owner’s representative to sign and date this document immediately following execution by the resident(s).

The responsibility of documenting and determining continuing eligibility (including completing and signing the 100% Recertification Waiver Tenant Income Certification form) and ensuring such documentation is kept in the tenant file is extremely important and should be conducted by someone well trained in tax credit compliance.

*These instructions should not be considered a complete guide on tax credit compliance. The responsibility for compliance with federal program regulations lies with the owner of the building(s) for which the credit is allowable.*